GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2290
ANSWERED ON:08.08.2005
BULK DRUGS MANUFACTURING UNITS
Kathiria Dr. Vallabhbhai

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of major bulk drugs manufacturing units functioning in the country at present;

(b) the different fiscal and non-fiscal incentives/disincentives provided by the Central and States for setting up of manufacturing units in selected areas/regions; and

(c) the long run impact of these on production, quality and cost competitiveness?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) A large number of units manufacturing drugs and related items, both in the organized sector and in the small scale sector are operating in the country. Under the provisions of Drugs and Cosmetics Act, 1940 and Ruies there-under, the responsibility for reguiating manufacture and sale of drugs is vested primariiy with the State Governments.

(b) The Central as well as the State Governments are providing various fiscal and non fiscal incentives for setting up of manufacturing units in selected areas/regions. The rate of excise duty applicable to new units in States of Himachai Pradesh and Uttaranchaf is zero vide Notification No. 49/2003-C.E. dated 10.6.2003 as last amended by Notification No. 27/2004-C.E. dated 9.7.2004. Similarly exemption to specified goods manufactured by units located in specified areas of North Eastern States, Sikkim, Jammu and Kashmir and Kutch (Gujarat) is also exempted from payment of excise duty.

(c) There has been a substantial impact on pharma sector in terms of production, quality and cost competitiveness due to the various fiscal and non fiscal measures/incentives adopted from time to time by the Government. This has resulted in the fresh investments for manufacture of bulk drugs and formulations, setting up of facilities for R&D work, enhanced quality as per the global regulations and more importantly increased domestic production and exports to large number of destinations around the world in a cost competitive manner.